

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02312A
Halcyon Acres Annex #2 Water Co. Inc.
P.O. Box 85160
Tucson, AZ 85754

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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3-16-11

COMPANY INFORMATION

Company Name (Business Name) <u>Halcyon Acres Annex #2 Water Co. Inc.</u>		
Mailing Address <u>P.O. Box 85160</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85754</u> (Zip)
<u>520-623-5172</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>Same as above</u>		
<u>(Street)</u>		
<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

<input type="checkbox"/> Management Contact:	<u>Bonnie O'Connor</u> (Name)	<u>Manager</u> (Title)	
<u>P.O. Box 85160</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85754</u> (Zip)
<u>520-623-5172</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>Walter Gene Wilcox</u> (Name)			
<u>8715E. 20th St.</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85710</u> (Zip)
<u>520-298-2704</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: Walter Gene Wilcox

(Name)

8715 E. 20th St.

(Street)

Tucson

(City)

AZ

(State)

85710

(Zip)

520-298-2704

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Gregory E. Good

(Name)

33 N. Stone Ave., #2040

(Street)

Tucson

(City)

AZ

(State)

85701

(Zip)

520-628-8221

Telephone No. (Include Area Code)

(520) 547-0394

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☒ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☒ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

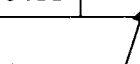
☐ **YUMA**

☐ **STATEWIDE**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	2420	---	2420
304	Structures and Improvements	1760	1760	---
307	Wells and Springs	36679	36265	414
311	Pumping Equipment	6337	6337	---
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	4465	4465	---
331	Transmission and Distribution Mains	21947	21947	---
333	Services	2470	2470	---
334	Meters and Meter Installations	2314	1637	677
335	Hydrants	1000	1000	---
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1019	470	549
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	80411	76351	4060

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	2420		---
304	Structures and Improvements	1760	3.33%	---
307	Wells and Springs	36679	3.33%	14
311	Pumping Equipment	6337	12.50%	---
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	4465	2.22%	---
331	Transmission and Distribution Mains	21947	2.00%	---
333	Services	2470	3.33%	---
334	Meters and Meter Installations	2314	8.33%	61
335	Hydrants	1000	2.00%	---
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1019	5.00%	29
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	80411		104

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

Less: Amortization of Contribution in Aid of Construction

(575)

(471)

Depreciation for 2010 is calculated on O.C.L.D.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 19853	\$ 16110
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2629	3424
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	22482	19534
	FIXED ASSETS		
101	Utility Plant in Service	79910	80411
103	Property Held for Future Use		
105	Construction Work in Progress	26922	25422
108	Accumulated Depreciation – Utility Plant	(76247)	(76351)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	30585	29482
	TOTAL ASSETS	53067	49016

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		50
236	Accrued Taxes	1596	412
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	1596	462
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	1639	4139
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	11500	11500
272	Less: Amortization of Contributions	(1075)	(1650)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	12064	13989
	TOTAL LIABILITIES	13660	14451
	CAPITAL ACCOUNTS		
201	Common Stock Issued	6000	6000
211	Paid in Capital in Excess of Par Value	9175	5175
215	Retained Earnings	24232	23390
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	39407	34565
	TOTAL LIABILITIES AND CAPITAL	\$ 53067	\$ 49016

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 24593	\$ 23247
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	24593	23247
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water	1145	364
615	Purchased Power	2886	2972
618	Chemicals		
620	Repairs and Maintenance	3778	60
621	Office Supplies and Expense	341	548
630	Outside Services	9373	18120
635	Water Testing	1014	959
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	1000	1000
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	421	541
403	Depreciation Expense	(509)	(471)
408	Taxes Other Than Income		(1496)
408.11	Property Taxes	1824	1169
409	Income Tax	2710	327
	TOTAL OPERATING EXPENSES	23983	24093
	OPERATING INCOME/(LOSS)	610	(846)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	5	4
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	5	4
	NET INCOME/(LOSS)	615	(842)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ ---

Meter Deposits Refunded During the Test Year \$ ---

COMPANY NAME Halcyon Acres Annex #2 Water Co. Inc.	
Name of System:	ADEQ Public Water System Number: 02-029

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-504418	30	130	750	12	4	1983

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Tucson Water	2" line	289

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		2-1/2" Dwarf	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		5000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Halcyon Acres Annex #2 Water Co. Inc.	
Name of System:	ADEQ Public Water System Number: 02-029

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	AIC	7900
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X ¾	39
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Halcyon Acres Annex #2 Water Co. Inc.

Name of System:

ADEQ Public Water System Number: 02-029

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	35	428	471	
FEBRUARY	35	339	495	4
MARCH	35	411	438	
APRIL	35	633	702	
MAY	35	590	647	1
JUNE	35	929	914	
JULY	35	793	790	
AUGUST	36	686	757	
SEPTEMBER	36	733	781	
OCTOBER	36	656	702	
NOVEMBER	36	561	581	
DECEMBER	36	493	539	1
TOTALS →		7252	7817	6

What is the level of arsenic for each well on your system? <0.001 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ___ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes

(X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes

() No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Halcyon Acres Annex #2 Water Co. Inc.

Name of System:

ADEQ Public Water System Number: 02-029

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	0	0
APRIL	0	0	0
MAY	0	0	0
JUNE	0	0	0
JULY	0	0	0
AUGUST	0	0	0
SEPTEMBER	0	0	0
OCTOBER	0	0	0
NOVEMBER	0	0	0
DECEMBER	0	0	0
TOTALS →		0	0

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 1169

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA
NAME (OWNER OR OFFICIAL) TITLE BONNIE O'CONNOR, MANAGER
COMPANY NAME HALCYON ACRES ANNEX #2 WATER CO. INC.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

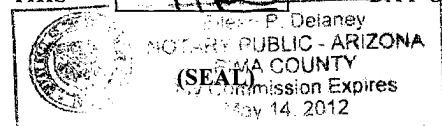

SIGNATURE OF OWNER OR OFFICIAL

520-623-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS **14** **DAY OF**



COUNTY NAME PIMA	
MONTH MARCH	YEAR 2011

MY COMMISSION EXPIRES **MAY 14, 2012**

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Halcyon Acres Annex #2 Water Co. Inc. YEAR ENDING 12/31/2010

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported (2251)
Estimated or Actual Federal Tax Liability ---

State Taxable Income Reported (2251)
Estimated or Actual State Tax Liability ---

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3/14/11
DATE

Bonnie O'Connor
PRINTED NAME

Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA
NAME (OWNER OR OFFICIAL) TITLE BONNIE O'CONNOR, MANAGER
COMPANY NAME HALCYON ACRES ANNEX #2 WATER CO. INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 24832

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1585
IN SALES TAXES BILLED, OR COLLECTED)


****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

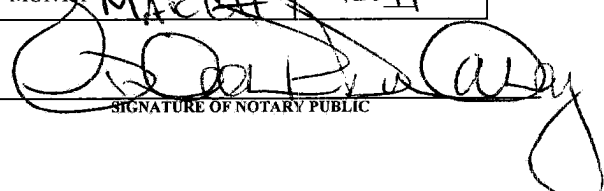

SIGNATURE OF OWNER OR OFFICIAL
520-623-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

 14 DAY OF March
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
(SEAL) Commission Expires
May 14, 2012

COUNTY NAME PIMA
MONTH MARCH YEAR 2011

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 14, 2012

See Accountants' Report

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA
NAME (OWNER OR OFFICIAL) TITLE BONNIE O'CONNOR, MANAGER
COMPANY NAME HALCYON ACRES ANNEX #2 WATER CO. INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 23869

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 1525

IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

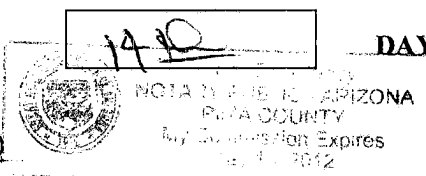
520-623-5772
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

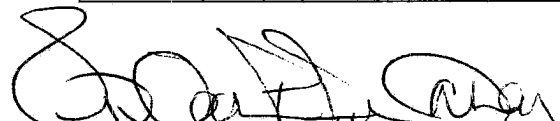
THIS 14th DAY OF

(SEAL)



MY COMMISSION EXPIRES May 14, 2012

NOTARY PUBLIC NAME <u>EILEEN DELANEY</u>	
COUNTY NAME <u>PIMA</u>	
MONTH <u>MARCH</u>	<u>2011</u>


SIGNATURE OF NOTARY PUBLIC